

**Illinois Department of Revenue
Regulations**

Title 86 Part 511 Section 511.150 Exclusions From Tax
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**TITLE 86: REVENUE
PART 511
ELECTRICITY EXCISE TAX LAW**

Section 511.150 Exclusions From Tax

- a) Federal Government. *Electricity Excise Tax is not imposed with respect to any transaction in interstate commerce, or otherwise, to the extent to which such transaction may not, under the Constitution and statutes of the United States, be made the subject of taxation by this State.* [35 ILCS 640/2-4(c)] For example, the federal government is not taxable under the Electricity Excise Tax Law. However, the State of Illinois and any other state or local government is subject to tax under the Electricity Excise Tax Law. Examples of the federal government include, but are not limited to, entities such as: the three main branches of government, the Executive, Legislative and Judicial, and the U.S. Postal Service. A sale of electricity to the federal courthouse would be exempt; however, a sale to a federal judge for his own use would not be exempt.
- b) Entities that are exempt from taxation by federal statute are not subject to Electricity Excise Tax liability. For example, federal credit unions are not subject to Electricity Excise Tax liability pursuant to 12 USC 1768. Further, Amtrak is not subject to Electricity Excise Tax liability pursuant to 49 USC 24301(1).
- c) Businesses Located in Enterprise Zones. *Electricity Excise Tax is not imposed on business enterprises that are certified by the Department of Commerce and Community Affairs under Section 9-222.1 of the Public Utilities Act to the extent of such exemption and during the time specified by the Department of Commerce and Community Affairs.* [35 ILCS 640/2-4(c)]
- d) Businesses Certified as High Impact Businesses. *Electricity Excise Tax is not imposed on business enterprises that are certified by the Department of Commerce and Community Affairs as High Impact Businesses under Section 9-222.1A of the Public Utilities Act to the extent of such exemption and during the time specified by the Department of Commerce and Community Affairs.* [35 ILCS 640/2-4(c)] *In order to qualify for this exclusion from Electricity Excise Tax liability, the High Impact Business must be properly registered with the Department as a self-assessing purchaser under Section 2-10 of the Electricity Excise Tax Law (see Section 511.300 of this Part).* [220 ILCS 5/9-222.1A]
- e) Delivering suppliers are required to maintain documentation in their books and records to support the exemptions described in this Section. In order to document the exemptions listed in subsections (c) and (d) of this Section, delivering suppliers must maintain the current certificate of eligibility issued by the Department of Commerce and Community Affairs to the businesses claiming the exemption.

